

Retirement Income Worksheet

Complete this worksheet to identify potential retirement income gaps. Start by estimating essential and non-essential expenses. To account for inflation, multiply expense totals by the inflation factor applicable to your retirement timeline. For instance, \$1,000 in expenses today equals \$1,480 (x 1.48 inflation factor) in 10 years at a 4% inflation rate. (Hypothetical example for illustrative purposes only.)

YOUR EXPENSES										
TYPES OF NEEDS					MONTHLY			ANNUAL		
+ Essential: Basic needs – mortgage/rent, utilities, healthcare, groceries					\$			\$		
+ Inflation: Essential (above) x Inflation Factor (below)					\$			\$		
+ Essential Lifestyle: Non-negotiables – spending on “fun things” unique to you and essential to lifestyle satisfaction					\$			\$		
+ Inflation: Essential Lifestyle (above) x Inflation Factor (below)					\$			\$		
+ Nice-to-Have: Important but flexible – expenses that could be put off while portfolio recovers					\$			\$		
+ Inflation: Nice-to-Have (above) x Inflation Factor (below)					\$			\$		
YOUR TOTAL EXPENSES					\$			\$		

INFLATION RATE	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	6 YEARS	7 YEARS	8 YEARS	9 YEARS	10 YEARS
	INFLATION FACTOR									
3%	x 1.03	x 1.06	x 1.09	x 1.13	x 1.16	x 1.19	x 1.23	x 1.27	x 1.30	x 1.34
4%	x 1.04	x 1.08	x 1.12	x 1.17	x 1.22	x 1.27	x 1.32	x 1.37	x 1.42	x 1.48
5%	x 1.05	x 1.10	x 1.16	x 1.22	x 1.28	x 1.34	x 1.41	x 1.48	x 1.55	x 1.63

Now that you mapped out your expenses, determine your guaranteed and non-guaranteed income source totals. It is important to note that only Social Security, pensions and lifetime income annuities offer guaranteed income for life, while retirement savings and investments are non-guaranteed and vulnerable to risk.

Complete **YOUR INCOME SOURCES** and **CALCULATE YOUR INCOME GAP** sections on page 2.

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YOUR INCOME SOURCES

GUARANTEED INCOME	MONTHLY	ANNUAL
+ Social Security	\$	\$
+ Pensions	\$	\$
+ Annuities	\$	\$
TOTAL GUARANTEED INCOME SOURCES	\$	\$
NON-GUARANTEED INCOME	MONTHLY	ANNUAL
+ Investments	\$	\$
+ Savings	\$	\$
TOTAL NON-GUARANTEED INCOME SOURCES	\$	\$
+ TOTAL GUARANTEED INCOME SOURCES	\$	\$
YOUR TOTAL INCOME SOURCES	\$	\$

Calculate the potential guaranteed lifetime income gap by subtracting the expenses (i.e., Essential only, Essential+Lifestyle, or Total) you want to cover with guaranteed income dollars. Non-guaranteed income sources can be used for non-essential spending.

CALCULATE YOUR INCOME GAP

+ TOTAL GUARANTEED INCOME SOURCES	\$	\$
- YOUR TOTAL CHOSEN EXPENSES	\$	\$
YOUR GUARANTEED LIFETIME INCOME GAP	\$	\$

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